GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:935
ANSWERED ON:28.07.2000
BANK LOANS TO MERITORIOUS STUDENTS
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Will the Minister of FINANCE be pleased to state:

(a) whether public sector banks offer loans to the poor meritorious students under various schemes but there are no provisions to offer unconditional loan;

(b) whether the Government have advised the banks to formulate loans schemes without any condition;

(c) if so, whether such schemes have been formulated;

(d) if so, the details there of and if not, the reasons therefor; and

(e) the reasons for dissociating rural banks from such loan offering institutions ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH) :

(a) Reserve Bank of India (RBI) has reported that Public Sector Banks have formulated their own schemes for grant of educational loans to needy students for pursuing higher studies in India and abroad under its policy guidelines issued from time to time. However, loans sanctioned under these schemes are subject to certain terms and conditions.

(b) to (d) A Study Group consisting of representatives of banks and RBI has beenconstituted to examine all aspects of Educational Loan Schemes and to make suggestions regarding removal of deficiencies pertaining to interest rate and collateral securities. The report of the Group is awaited.

(e) Regional Rural Banks can also give educational loans at their discretion.